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**MAY 23 '2008**

**Environmental  
Cleanup Office**

**Bateman Seidel**

*Karen L. Reed*  
*kreed@batemanseidel.com*  
*www.batemanseidel.com*  
*Telephone DID: 503.972.9924*  
*Fax DID: 503.972.9944*

May 20, 2008

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

Ms. Kristine Koch  
Remedial Project Manager  
United States Environmental Protection Agency, Region 10  
Office of Environmental Cleanup, Mail Code ECL-115  
1200 Sixth Avenue, Suite 900  
Seattle, Washington 98101-3140

**RE: Portland Harbor Superfund Site / CERCLA  
Section 104(e) Information Requests**

Dear Ms. Koch:

We are the attorneys for the BAE Systems San Diego Ship Repair Inc. ("BAE San Diego") which received a first request for information letter dated January 18, 2008, with respect to the former operations of Northwest Marine, Inc. ("Northwest Marine") at the Swan Island Shipyard, located within the Portland Harbor Superfund Site ("Site"). Enclosed with this letter is our client's preliminary partial response to EPA's information request letter.

On April 23, 2008, BAE San Diego submitted a request for extension of its response deadline to August 8, 2008. We received a response from EPA dated May 7, 2008, granting this request. Even though our client is unable at this time to provide complete responses to all of EPA's questions, we want to begin providing the responses as soon as we are able. We will continue to supplement the responses as additional information becomes available, in compliance with the schedule set forth in the extension request.

As we believe will become clear through the response process, our client was only very briefly operating a business at the Site. Nevertheless, it has joined in the PRP convening process and also is engaged with the Portland Harbor Natural Resources Trustee Council. We hope that, by demonstrating cooperation in all aspects of the Superfund process, EPA will consider our client for a potential early settlement, when that becomes appropriate, if we can demonstrate that it qualifies.

**USEPA SF**



**1330564**

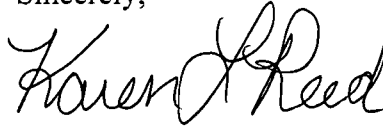
Bateman Seidel Miner Blomgren Chellis & Gram, P.C.

888 SW Fifth Avenue, Suite 1250 Portland, Oregon 97204 Telephone 503 972-9920 Fax 503 972-9921 [www.batemanseidel.com](http://www.batemanseidel.com)

Ms. Kristine Koch  
May 20, 2008  
Page 2

We look forward to continuing to work cooperatively with EPA and the other stakeholders at the Site. Please feel free to contact Jeff Ring (503-972-9909) or me with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen L. Reed". The signature is fluid and cursive, with the first name "Karen" and last name "Reed" clearly distinguishable.

Karen L. Reed

enc.

cc: Lloyd A. Schwartz, General Counsel  
BAE Systems San Diego Ship Repair Inc.

*K:\60406 BAE Systems\001 Portland Harbor\KLR\104(e) responses cover ltr (FINAL).doc*

**INFORMATION REQUEST PRELIMINARY PARTIAL RESPONSES  
(REQUEST FOR EXTENSION OF TIME GRANTED BY EPA ON May 7, 2008)**

**Section 1.0 Respondent Information**

Response 1: BAE Systems San Diego Ship Repair Inc., formerly Southwest Marine, Inc., a California corporation, 2205 East Belt Street San Diego, CA 92113.

Response 2:

Dana M. Austin  
Austin Environmental Consulting, Inc.  
PMB 233  
450 State Rd. 13 N., Ste 106  
Jacksonville, FL 32259  
Phone: (904) 287-4652  
Fax: (904) 287-6318  
Email: DMAustinAECI@comcast.net

Daniel P. Cotter  
Chief Financial Officer  
BAE Systems Ship Repair Inc.  
750 West Berkley Avenue  
Norfolk, VA 23523  
Phone: (757) 494-4530  
Fax: (757) 494-4961  
Email: dan.cotter@baesystems.com

Sandor (Shaun) Halvax  
Director of Environmental Services  
BAE Systems San Diego Ship Repair Inc.  
2205 East Belt Street  
San Diego, CA 92113  
Phone: (619) 238-1000 ext. 2060  
Fax: (619) 595-0459  
Email: sandor.halvax@baesystems.com

William M. Johnston  
Retired  
2240 Brandon Place  
Portland, OR 97067  
Phone: (503) 789-5271  
Email: billyjohnston@earthlink.net

Laura J. Machado  
Chief Financial Officer  
The Marine Group, LLC  
dba Marine Group Boatworks

997 G Street, Chula Vista, CA 91910

Phone: (619) 427-6767 ext. 42

Fax: 619-427-0324

Email: laura@marinegroupbw.com

Raymond A. Parra

Vice President & General Counsel

BAE Systems Customer Solutions Operating Group

1300 North 17th Street, Suite 1400

Arlington, VA 22209

Phone: (703) 907-8273

Fax: (703) 907-8388

Email: raymond.parra@baesystems.com

Karen L. Reed, Esq.

Bateman Seidel Miner Blomgren Chellis & Gram, P.C.

Attorneys for Respondent

888 SW Fifth Avenue, Suite 1250

Portland, OR 97204

Phone: (503) 972-9924

Fax: (503) 972-9944

Email: kreed@batemanseidel.com

Lloyd A. Schwartz

General Counsel

BAE Systems San Diego Ship Repair Inc.

2205 East Belt Street

San Diego, CA 92113

Phone: (619) 238-1000 x 2750

Fax: (619) 239-1751

Email: lloyd.schwartz@baesystems.com

Ellen Vinck

Vice President, Risk Management

BAE Systems Ship Repair Inc.

2205 East Belt Street

San Diego, CA 92113

Phone: (619) 238-1000 ext. 4297

Fax: (619) 239-1751

Email: ellen.vinck@baesystems.com

Response 3:

J.W. Ring, Esq.

Bateman Seidel Miner Blomgren Chellis & Gram, P.C.

Attorneys for Respondent

888 SW Fifth Avenue, Suite 1250

Portland, OR 97204  
Phone: (503) 972-9909  
Fax: (503) 972-9910  
Email: jwring@batemanseidel.com

## **Section 2.0 Owner/Operator Information**

Response 4: The properties commonly known as 5815 and 5851 North Lagoon Avenue, Portland, OR 97217, and more particularly described in the enclosed Title Plant Records Report prepared by Land America Commercial Services, dated May 7, 2008, attached hereto in electronic format on enclosed CD in the folder for Response 4 (the Property). See also enclosed Multnomah County Assessor's Map No. 1N1E17CD/Portland, with applicable tax parcels highlighted.

Response 5: On November 1, 1982, many years prior to any involvement of Respondent at the Property, William H. Zavin II, as trustee of Bradavin Property Trust, who is unaffiliated with Respondent, acquired title to the Property. See enclosed Warranty Deed—Statutory Form recorded in Book 1633 Pages 543-46, in the Multnomah County property records. Mr. Zavin then leased the Property to Northwest Marine Iron Works, an Oregon corporation, the predecessor-in-interest to Northwest Marine, Inc., an Oregon corporation (Northwest Marine). See enclosed Memorandum of Lease Agreement recorded in Book 1633 Pages 547-50, in the Multnomah County property records; see also enclosed Memorandum of Amendment of Lease Agreement recorded in Book 2209 Pages 1029-33, in the Multnomah County property records. Respondent first became involved with the Property on April 14, 1989, when Southwest Marine, Inc., a California corporation (Southwest Marine), the predecessor-in-interest to Respondent, acquired Northwest Marine. However, Respondent never owned the Property. On November 25, 1997, the Marine Group LLC, a California limited liability company (Marine Group), acquired Northwest Marine from Southwest Marine. Mr. Zavin continued to own the Property during this entire twenty-year period, until September 23, 2002, when he conveyed title to the Marine Group. See enclosed Bargain and Sale Deed recorded as Instrument No. 2002-181867, in the Multnomah County property records. The Marine Group owned the Property for only four years, until November 6, 2006, when Marine Group conveyed the Property to EWH, LLC, an Oregon limited liability company, which is unaffiliated with Respondent. See enclosed Statutory Warranty Deed recorded as Instrument No. 2006-207446, in the Multnomah County property records.

Response 7: See Response 5.

Response 10:

- a. See Response 5.
- b.
- c.

## **Section 3.0 Description of Each Property**

Response 13:

- a. See enclosed Survey No. 30620 filed November 21, 1969, in the Multnomah County Survey Records. See also enclosed Survey No. 54377 (2 pages) filed

February 1, 1995, in the Multnomah County Survey Records. See also enclosed Survey No. 22413 last revised January 4, 1966, in the Multnomah County Survey Records. See also enclosed Title Plant Records Report prepared by Land America Commercial Services, dated May 7, 2008, attached hereto in electronic format on enclosed CD in the folder for Response 4.

- b. See enclosed multipage line drawing entitled *Portland Ship Repair Yard Master Utilities* by the Port of Portland, dated April 1981, as Drawing No. YA 81-1.
- c. See enclosed multipage line drawing entitled *Portland Ship Repair Yard Master Utilities* by the Port of Portland, dated April 1981, as Drawing No. YA 81-1.
- d. See enclosed brochure entitled *You Expect... We Deliver, Portland Ship Yard* by the Port of Portland with a notation of 1/92 containing an aerial photograph of and other information regarding the Swan Island Industrial Park. See also enclosed line drawing entitled *Figure 2, Site Map* contained in the Remedial Investigation/ Feasibility Study Work Plan (DEQ Review Draft) for the Portland Shipyard by Bridgewater Group, Inc., dated January 28, 2000.
- e. See enclosed brochure entitled *You Expect... We Deliver, Portland Ship Yard* by the Port of Portland with a notation of 1/92 containing an aerial photograph of and other information regarding the Swan Island Industrial Park. See also enclosed line drawing entitled *Figure 2, Site Map* contained in the Remedial Investigation/ Feasibility Study Work Plan (DEQ Review Draft) for the Portland Shipyard by Bridgewater Group, Inc., dated January 28, 2000.
- f.
- g.
- h.
- i. See enclosed line drawing entitled *Swan Island Shipyard General Plan Storm Sewer System* by John W. Cunningham & Associates, dated June 9, 1942, as Drawing No. 99-6-116.
- j.
- k.
- l. See enclosed line drawing entitled *Swan Island Industrial Park Properties Location* by the Port of Portland, dated September 12, 1963, and revised July 24, 1964, as Drawing No. SI 63-11.
- m. See enclosed brochure entitled *You Expect... We Deliver, Portland Ship Yard* by the Port of Portland with a notation of 1/92 containing an aerial photograph of and other information regarding the Swan Island Industrial Park.

Response 14: The Property is not adjacent to the Willamette River.

#### **Section 4.0 Respondent's Operational Activities**

Response 38:

Sandor (Shaun) Halvax  
Director of Environmental Services  
BAE Systems San Diego Ship Repair Inc.  
2205 East Belt Street

San Diego, CA 92113  
Phone: (619) 238-1000 ext. 2060  
Fax: (619) 595-0459  
Email: sandor.halvax@baesystems.com

## **Section 8.0 Corporate Information**

### **Response 74:**

- a. Respondent is a California corporation.
- b. Current Directors: Walt Havenstein and Sheila Cheston; Address for Current Directors: BAE Systems Inc., 1601 Research Blvd., Rockville, MD 20850.

#### Current Officers:

Robert A. Kilpatrick	President (1)
Sheila C. Cheston	Vice President & Assistant Secretary (2)
Daniel P. Cotter	Chief Financial Officer (4)
Raymond A. Parra	Vice President & Secretary (3)
Robert T. Murphy	Vice President & Assistant Treasurer (2)
Terry L. Shaw	Assistant Treasurer (2)
Lloyd A. Schwartz	Assistant Secretary (1)
Paul W. Cobb, Jr.	Assistant Secretary (2)

#### Addresses for Current Officers:

(1) BAE Systems San Diego Ship Repair Inc.  
2205 East Belt Street  
San Diego, CA 92113

(2) BAE Systems Inc.  
1601 Research Blvd.  
Rockville, MD 20850

(3) BAE Systems Customer Solutions Inc.  
13 00 North 1 7t11 Street  
Suite 1400  
Arlington, VA 22209

(4) BAE Systems Norfolk Ship Repair Inc.  
750 West Berkley Avenue  
Norfolk, VA 23523

- c.
- d.

e.

Response 75:

- a.
- b. The current registered agent for Respondent is CT Corporation Systems, 818 West Seventh Street, Los Angeles, CA 90017
- c. Each of the Corporations Listed Below Owns 100% of the Subsidiary Listed Under It:

BAE Systems Inc.  
1601 Research Blvd.  
Rockville, MD 20850



BAE Systems Land & Armaments Inc.  
1525 Wilson Blvd.  
Arlington, VA 22209



BAE Systems Ship Repair Inc.  
750 W. Berkley Ave.  
Norfolk, VA 23523



BAE Systems San Diego Ship Repair Inc. (Respondent)  
2205 East Belt Street  
San Diego, CA 92113

Response 76: Respondent is not authorized to do business in Oregon, and Respondent has never done business in Oregon that would require authorization.

Response 77:

- a.
- b.
- c.
- d.
- e. See the list of insurance policies attached hereto in electronic format on enclosed CD in the folder for Response 77(e).
- f. Respondent has been a wholly owned subsidiary of BAE Systems Ship Repair Inc. (formerly United States Marine Repair, Inc.) since November 26, 1997. The following financial information is for the most recently completed fiscal year:



BAE Systems Ship Repair Inc.

Financial information as of December 31, 2007 and for the year then ended

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Total revenue	\$644,156,053
Net income	38,412,181
Depreciation expense	11,881,871
Total assets	774,411,412
Total current assets	223,666,306
Total current liabilities	109,772,363
Working capital	113,893,943
Net worth	571,805,211

**Section 9.0 Compliance With This Request**

Response 79:

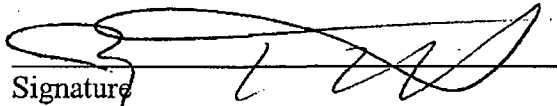
- a. See Response 2.
- b. Electronic files are maintained by Bateman Seidel Miner Blomgren Chellis & Gram, P.C., Attorneys for Respondent. Hard files are maintained by Laura J. Machado, Chief Financial Officer, The Marine Group, LLC, dba Marine Group Boatworks, 997 G Street, Chula Vista, CA 91910, Phone: (619) 427-6767 ext. 42, Fax: 619-427-0324, Email: laura@marinegroupbw.com. Additional hard files are maintained by Lloyd A. Schwartz and Shaun Halvax, and their contact information is provided in Response 2.
- c. Consultations have occurred on an almost daily basis from February 28, 2008, to present.

## DECLARATION

I declare under penalty of perjury that I am authorized to respond on behalf of Respondent and that the foregoing is ~~complete~~,\* true, and correct.

Executed on May 16, 2008.

BAE Systems San Diego Ship Repair Inc.  
(formerly Southwest Marine, Inc.)

  
Signature

Robert A. Kilpatrick

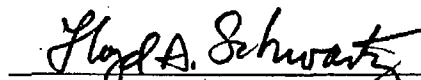
Type or Print Name

President

Title

Mailing Address:  
2205 East Belt Street  
San Diego, CA 92113

Approved as to form:

  
Lloyd A. Schwartz, General Counsel

\* As explained in the cover letter dated May 20, 2008, these responses are incomplete.